



power to  
change

business in  
community  
hands

# Homes in Community Hands



**Year 2 Evaluation Executive Summary**

July 2021



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## Introduction

The community-led housing sector in England has grown substantially in recent years, with an increasing number of groups forming and projects being planned. This is reflective not only of the urgent need for a suitable supply of affordable homes to meet the diverse requirements of communities, but also the growing strength of national and regional organisations established to support community-led housing.

Power to Change's 5-year Homes in Community Hands programme has already played a significant role in this growth, providing support and grants totalling £4.7 million (of a total budget of £5.2 million) to help individual community-led housing projects and to build the reach and impact of enabling hubs in the sector. The programme has particularly targeted five areas in England – Liverpool City Region, Tees Valley, West Midlands, Leeds City Region and West of England.

Building on the [baseline research](#) undertaken in 2019-20, further work has been conducted to evaluate the programme's development in 2020-21. This executive summary presents key findings on the impact of the projects and hubs that have received support. Reflecting on the factors that have contributed most, it also considers the effects of Covid-19, and how challenges in the funding landscape may hinder the sustainable growth and effectiveness of the community-led housing sector in future.



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## Impacts and outcomes of community-led housing projects

From the £4.7 million allocated, Homes in Community Hands has made 38 grants totalling £2.49 million to 33 individual projects. Most of these are located in the five areas where grants have also been made to enabler hubs. A small proportion (15 per cent) are at the early stage of developing their schemes and securing a site. A much larger proportion (over 60 per cent) are in the planning stage, having secured a site they are preparing to develop.<sup>1</sup> Although only a few projects have been completed, it is already possible to see some notable impacts and outcomes emerging.

Not only will the majority of the 900 or so homes being planned by the 33 funded projects be affordable – categorised as being for ‘Affordable Rent’, ‘Shared Ownership’ or ‘Social Rent’ – but the proportion of affordable housing being provided on site also compares favourably with other government-funded schemes, like the Affordable Housing Programme, and projects within the broader community-led housing sector pipeline.

That only 7 per cent of those 900 homes are for market rent or sale reaffirms the projects’ focus on providing accommodation that is suitable and affordable for their communities. However, this suggests little use is being made of market housing to cross-subsidise or to provide the finance for additional projects.

The funded projects also have broader objectives beyond providing homes, and reported wide ranging outcomes for local regeneration that have included building skills and employment, investing in commercial spaces and infrastructure and opening up access to more green space. As the broader issues of community control and social cohesion are primary drivers for projects funded through Homes in Community Hands, it is unsurprising that grantee surveys reveal that the potential impacts of community-led housing projects funded by the programme are typically broader than those delivered elsewhere in the sector. This is all the more noteworthy given that more than two-thirds of the projects awarded grants were located in the 20 per cent most deprived areas in England.

<sup>1</sup> There are five stages of a community-led housing scheme, developed by the Community Led Homes consortium, from initially forming the group to housing residents: Group, Site, Plan, Build and Live <https://www.communityledhomes.org.uk/how-do-it>

The fact that many grantees own other physical assets, or are developing housing alongside other types of asset, raises important questions about how community-led housing might develop in future, and which organisations will play a role. Rather than remain the specialism for a small proportion of community businesses, community-led housing has the potential to become a more mainstream activity for the wider community business sector.

Homes in Community Hands has also enabled projects and their stakeholders to unlock additional funding to increase their reach and impact. Large developments – such as Glencoyne Square led by Southmead Development Trust – have enabled other stakeholders to attract further funding for improvements to community infrastructure and amenities. Similarly, Heart of Hastings' work on community-led housing and broader regeneration plans have helped secure an additional £2 million for a Heritage Action Zone. This will bring empty historic buildings back into use, and provide housing, workspaces, and other amenities that are affordable for residents and business owners.



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## The growth and strengthening of enabling hubs

A key objective of Homes in Community Hands has been to strengthen the infrastructure of the community-led housing sector, and five enabling hubs have provided crucial support to individual projects funded by the programme, reflecting the distinctive regional context they were established to serve. Interviews with stakeholders revealed some key insights on the challenges and opportunities that have emerged from the programme, and this will help inform the future development of individual projects and the wider sector.

Creating and developing a hub requires considerable effort as policy and governance structures need to be built alongside operational processes. While this is typically the case for those hubs that are created as new standalone organisations, it can also affect those that are hosted by other organisations. Funding from Homes in Community Hands, alongside grants from the government's Community Housing Fund, have been crucial to the operational and organisational development of hubs, many of which made clear that without core grant funding to sustain their operations they would either not exist, or only be able to work in ad hoc ways. Funding has enabled them to employ key staff and associates to work on building their organisational structure and processes, while continuing to support the individual housing projects in their region.

Partnership working has proved to be particularly important – in some areas hubs have established supportive relationships where housing associations have hosted their functions or provided complementary support, and in others strong alliances are emerging with other housing providers.

While successfully establishing and building local capacity, hubs have also shown significant capability to inform and influence policy – for some, securing political backing and policy improvements has been their primary achievement, while others have worked hard to challenge unfavourable perceptions of community-led housing and build understanding amongst local policymakers of the sector's potential contribution to addressing local housing challenges.

Building awareness and advocacy has involved actively developing relationships with government at a regional level, for example with combined authorities, and informing the development of discrete policies at local authority level. Sitting on regional public land task forces has enabled hubs to connect directly with potential sources of land, and using innovative decision-making approaches that emphasise social value has shaped land disposal policies that have transferred land to community-led housing groups. It is clear that successfully creating such beneficial conditions for community-led housing to grow depends on hubs being able to work beyond their everyday interactions with community-led projects, and they need funds for staff to undertake that work and time to invest in the stakeholder relationships and policy lobbying required.



Hubs have clearly helped expand the community-led housing sector. Hub project pipelines indicate that at least 169 community-led housing projects have received or are receiving support from the hubs, with each hub supporting between 22 and 48 individual projects.

Nearly 3,000 homes are being planned within this pipeline, with more than 2,300 within projects where sites have been acquired or secured, business plans developed or planning approval granted. This is a significant increase on the first year's baseline assessment which estimated that there were fewer than 900 homes in the hub pipeline. These pipelines reflect both the enabling work already undertaken by established hubs, the expanding pipelines of newer hubs, and improvements in the data held by hubs on individual projects. Project interviewees were effusive about their relationship with hubs, whose staff and associates provide significant support and advice, connect them with sources of land and finance, and ensure their organisational and governance models are suitable for achieving their objectives.



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## Challenges and changes in community-led housing

While the community-led housing sector has expanded in recent years, significant challenges remain which may affect the sector's further growth, and may limit the impacts from the Homes in Community Hands programme.

Alongside the substantive effects of the Covid-19 pandemic, changes in the funding landscape for community-led housing pose a significant threat to the sustainability of hubs. Hubs are understandably keen to continue delivering their services to local community-led groups, not least because of the demand they have helped build through their own awareness-raising and advocacy work in recent years. There is a sense that hubs are at a crossroads – having benefited from substantial investment to create the infrastructure needed to thrive, revenue grant funding is contracting. With the closure of the Homes in Community Hands programme to new projects, and with only small amounts of revenue funding available through the Community Housing Fund (£4 million for 2021/22), hubs face serious challenges. Many hubs will be scaling down their operations and community-led housing projects will find it harder to secure revenue funding and will be competing for less dedicated capital funds to develop their schemes. This potential 'double whammy' may see mergers and consolidation within the hub network and highlights key strategic issues, like how necessary it is for enabling expertise in the sector to be grounded in local contexts and networks.

Our evaluation suggests hubs are exploring other sources of funding, including from local and regional government, fee paying services to partners and deferring income until developments are complete. Some are diversifying activity to create new non-housing income sources, developing their own assets to provide long-term revenue streams, or generating new funds through community share issues. Inevitably, each of these brings its own challenges as public funding remains unpredictable, project fees can take time to be realised, and new services take time to establish. Hubs were innovating and diversifying their income sources, but there were concerns that the grants received were not sufficient, or had not provided enough time, to develop sustainable business models.

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## Theories of change and prospects for community-led housing

As part of the evaluation we developed a theory of change for Homes in Community Hands, summarising the inputs, activities, outputs, outcomes and impacts the programme aimed to achieve. These anticipated changes drew on qualitative and interpretive observations, rather than quantifiable measures, and our report reviews and reflects on what has been emerging as a result of the programme alongside other factors.

Decisions about budgets – including shifting resources to support community businesses through Covid-19 – meant that funding available through the programme was less than originally foreseen and closed for new projects sooner than anticipated. Inevitably, this had an impact on the change process that we originally theorised. Fewer community-led housing groups will receive funding through the programme, and funded projects seem to be making slower progress, particularly those at an earlier stage. The closing of grants for enabler hubs represents a financial ‘cliff edge’ that will make it increasingly challenging for them to become sustainable.

More optimistically, changes linked to the programme suggest progress is being made by both hubs and individual projects. As hubs draw on a variety of funding and provide a diverse range of services it is difficult to assign responsibility for those changes to any single programme, but it is clear that Homes in Community Hands grants have enabled hubs to formalise partnerships with developers, landowners and public authorities, and build community interest in community-led housing through effective promotion and partnership working. In some hub areas, community-led housing has favourable access to land through local authority disposal policies, and in others there are signs of increasing political interest and buy-in for community-led housing as a consequence of delivery and lobbying by the hub. More homes in hub pipelines suggest all this work is paying off.

Encouragingly, some of the broader outcomes envisaged for the funded projects are beginning to materialise as they progress through development to completion, with evidence that participating in projects effectively builds people’s skills and progression into local leadership roles.

In exploring community-led housing from the perspectives of individual projects, enabling hubs and policymakers in a variety of circumstances, the evaluation reveals a great deal about what is possible in enabling new community-led housing in distinctly different areas. However, there are still gaps in what we know, and these will be the focus for the third year of the evaluation. These include: understanding the impact of funded projects not only on those involved in developing the projects, but also on those accessing the housing itself; the nature and effectiveness of hub support for different types of community-led housing; the impact of efforts to change local conditions for community-led housing; and how hubs can ensure their financial sustainability in future.





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